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PART IV.

Legislative Measures and Rules thereunder.

NOTIFICATIONS.

No. P. 1580, *dated Bangalore, 12th September* 1932.

Under Standing Order 49 of the Standing Orders for the conduct of business of the Mysore Legislative Council, the following report of the Select Committee on the Bill to provide for the imposition of a tax on certain forms of betting is published for general information with the Bill as amended by them.

By Order,
N. MADHAVA RAO,
Chief Secretary to Government.

Report of the Select Committee on the Bill to provide for the imposition of a tax on certain forms of betting.

We, the undersigned members of the Select Committee to which the Bill to provide for the imposition of a tax on certain forms of betting was referred, have considered the Bill and have the honor to submit this our Report with the Bill as amended by us annexed hereto.

The Secretary of the Bangalore Race Club who was invited to be present helped the deliberations of the Committee by his explanations of technical matters connected with betting and by his other suggestions.

We are in agreement with most of the provisions of the Bill. We have explained in this report only the main alterations made by us. The other minor changes made by us which are merely verbal are indicated in the Bill as amended annexed hereto.

We have recast the definition of "backer" as follows :—

Clause 2, Sub-Clause (1).—"Backer" includes any person who bets with a licensed book-maker or at a totalisator.

Sub-Clause (6).—We consider that besides betting at the totalisator and with book-makers sweeps held in the race enclosures should also be taxed. Though "totalisator" has been defined as including any scheme for enabling persons to make best with one another on like principles, we have thought fit to remove all possible doubt by inserting the words "a sweep or" between the words "or" and "any scheme" in the clause.

Clause 3.—We consider the rate of tax proposed in the Bill too high taking into consideration the uncertain nature of the business and the risk involved, and the fact that too heavy a tax may bring about a reduction of the gross collections. A definite rate need not be fixed by statute, but the rate may be fixed by the Government subject to a maximum to be laid down in the Regulation and varied according to circumstance. We have, therefore, suggested that the tax should not exceed four per cent and that the actual rate may be left to be determined by the Government.

The clause as revised runs as follows :—

There shall as from 193 , be charged, levied and paid to the Government out of all moneys paid into any totalisator by way of stakes or bets, a tax on backers, hereinafter referred to as the totalisator tax, at such rate not exceeding four per cent of every sum so paid as Government may, from time to time, notify in this behalf; and such portion of the moneys so paid into a totalisator, as is equal to the amount of the totalisator tax

at the rate notified as aforesaid by the Government in this behalf, shall be deemed to have been paid by the backer on account of the totalisator tax, and shall be received by the stewards of the race-meeting on behalf of the Government.

Clause 6 (1).—For the reasons mentioned in dealing with clause (8) above, we have revised this clause also by fixing the rate of betting tax as not exceeding four per cent as the Government may, from time to time, notify.

Clause 10.—Though the foregoing provisions of the Regulation make it obligatory on the part of the Stewards of the race-meeting and the book-makers to keep accounts and submit returns, to allow inspection of accounts, etc., and though by rules framed by the Government under this clause it can require observance of the rules, no penalty has been provided for cases of disobedience or default; we have, therefore, considered it necessary to insert a penal clause as follows as clause 11, the present clause 11 being renumbered as clause 12.

"*11. If any person contravenes or fails to comply with any of the provisions of this Regulation or of the rules framed thereunder, he shall, on conviction before a Magistrate, be liable in respect of each such offence to a fine not exceeding rupees five hundred.*"

We recommend that the Bill as amended by us may be republished.

(Sd.) K. Matthan (*Chairman*).
" S. P. Rajagopalachari.
" N. Madhava Rao.
" K. V. Anantaraman.
" D. H. Chendrasekharaiya.
" K. Chengalraya Reddi.
" P. Subbarama Chetty.
" Belur Srinivasiengar.

*

* Mr. F. A. Hamilton, the other member of the Committee, was unable to be present at the meeting.

BILL AS AMENDED BY THE SELECT COMMITTEE.

N.B.—Portions omitted by the Committee are enclosed in square brackets and portions added are printed in italics.

A Bill to provide for the imposition of a Tax on certain forms of betting.

Preamble. Whereas it is expedient to impose a tax on certain forms of Betting; It is hereby enacted as follows:—

Short title, extent, and commencement. 1. (1) This Regulation may be called the [*Mysore*] Betting-Tax Regulation, 193 .

(2) It extends to the whole of Mysore.

(3) It shall come into force in such local areas and from such dates as the Government may, by Notification in the *Official Gazette*, direct.

Definitions. 2. In this Regulation,—

(1) "backer" includes any person *who bets* with [whom] a licensed book-maker [bets] *or at a totalisator*;

(2) "bet" includes "wager" and "betting" includes "wagering;"

(3) "licensed book-maker" means any person who carries on the business or vocation of or acts as a book-maker or turf commission agent under a license or permit issued by any racing club or by the stewards thereof to enable him to carry on his business or vocation under the *conditions mentioned under the exception to section 4 (i) (1)* [provisions] of the Mysore Police Regulation, 1908, as specified in the license or permit;

(4) "prescribed" means prescribed by this Regulation or the rules made thereunder;

(5) "racing club" includes a club, association, society or body of persons corporate or incorporate—

(*a*) formed for the purpose of promoting horse-racing or pony-racing or for holding race-meetings; or

(*b*) conducting or controlling such meetings;

(6) "totalisator" means a totalisator in an enclosure which the stewards controlling a race meeting have set apart in accordance with the Mysore Police Regulation,

1908, and includes any instrument, machine, or contrivance known as the totalisator, or any other instrument, machine, or contrivance of a like nature or *a sweep or* any *other* scheme for enabling any number of persons to make bets with one another on the like principles.

Tax on totalisators and payme thereof.

3. There shall as from 193 , be charged, levied and paid to the Government out of all moneys paid into any totalisator by way of stakes or bets, a tax on backers, hereinafter referred to as the totalisator tax, [amounting to 6¼ *per cent*] *at such rate not exceeding four per cent* of every sum so paid *as the Government may, from time to time, notify in this behalf*; [and 6¼ *per cent* of every sum] *and such portion of the moneys* so paid into a totalisator *as is equal to the amount of the totalisator tax at the rate notified as afore-said by the Government in this behalf*, shall be deemed to have been paid by the backer on account of the totalisator tax, and shall be received by the stewards of the race-meeting on behalf of the Government.

Procedure making ov totalisator tax to Governme

4. The stewards of a race-meeting shall, at such times and in such manner as may be prescribed, forward to the prescribed officer a return stating the total amount of the moneys paid into the totalisator at the meeting, and shall, at the prescribed time, make over to the prescribed officer the amount of the tax for that meeting.

Accounts o totalisator tax.

5. (1) The stewards of a race-meeting shall keep accounts in the prescribed form of all moneys paid into the totalisator at that meeting.

(2) Every person having the custody of any such accounts shall, when required by an officer empowered in this behalf by the Government, permit such officer, or an officer authorised in writing by him in this behalf, to inspect and take copies of them.

Betting ta

6. (1) There shall as from the.....193...., be charged, levied and paid to the Government out of all moneys paid or agreed to be paid by a licensed bookmaker to a backer in consequence of the winning by the backer of a bet made in an enclosure set apart under the provisions of the Mysore Police Regulation, 1908, on any race, a tax on backers, hereinafter referred to as the betting tax, [amounting to 6¼ *per cent*] *at a rate not exceeding four per cent* of all such moneys *as the Government may, from time to time, notify in this behalf.*

(2) The betting tax shall be deducted or collected by the licensed book-maker from such moneys at the time when the money is paid to the backer, or in the case of credit bets at such time as may be prescribed, and shall be deemed to have been paid by the backer on account of the tax, and shall be retained by the licensed book-maker on behalf of the Government.

Procedure for making over betting tax to Government.

7. All sums retained on account of the betting tax shall be made over by the licensed book-maker, by whom they have been retained, to the prescribed officer at such times and in such manner as may be prescribed.

Accounts of betting tax.

8. (1) The stewards of a race-meeting shall, at such times and in such manner as may be prescribed, forward to the prescribed officer, returns setting out the names of the bookmakers, licensed or permitted by them to carry on the business or vocation of a book-maker at that meeting.

(2) All licensed book-makers shall keep accounts of all sums paid or agreed to be paid by them to backers in satisfaction of bets, in such manner as may be prescribed, and shall, when required in writing by an officer empowered in this behalf by the Government, permit such officer, or an officer authorised in writing by him in this behalf, to inspect and take copies of such accounts.

Methods of recovery of totalisator tax and betting tax.

9. (1) The totalisator tax payable under section 3 shall be recoverable as a revenue demand from the racing club conducting the meeting, and any portion of such tax which is not so recovered shall also be recoverable as a revenue demand from the stewards of the race-meeting jointly and severally.

(2) All moneys which a licensed book-maker is liable to make over to the prescribed officer under section 7 shall be recoverable from the licensed book-maker as a revenue demand.

Rules.

10. The Government may make rules for securing the payment of the totalisator tax and the betting tax, the production and inspection of accounts kept under this Regulation and generally for carrying into effect the provisions of this Regulation, and for dealing with such matters as are therein directed to be prescribed.

11. *If any person contravenes or fails to comply with any of the provisions of this Regulation or of the rules framed thereunder, he shall, on conviction before a Magistrate, be liable in respect of each such offence to a fine not exceeding rupees five hundred.*

12. [11.] In section 4, clause (i) of the Mysore Police Regulation, 1908, hereinafter referred as the said Regulation before the definition of "Common gaming house," the following definitions shall be inserted, *viz.*,— Amendment of section 4 of the Mysore Police Regulation, 1908. 'Gaming.'

(1) "Gaming" does not include a lottery but includes wagering or betting on a horse race. [Except when such wagering or betting takes place.]

Exception.—Wagering or betting on a horse race is not gaming when such wagering or betting takes place—

(i) on the date on which such race is to be run; and

(ii) in a place or places within the race enclosure which the authority controlling such race has, with the sanction of the Government, set apart for the purpose.

(2) 'Instruments of gaming' include an article used as a subject, or means of, or for the purpose of carrying on or facilitating, or in connection with gaming and any books, lists, tickets, forms or other documents used or intended to be used as a register or record or evidence of gaming. "Instruments of gaming."

13. [12.] In section 63 of the said Regulation, sub-sections (1) and (2) shall be renumbered as (3) and (4) and the following shall be added as sub-sections (1) and (2), namely,— Amendment of section 63 of the Mysore Police Regulation, 1908.

"(1) Whoever opens, keeps or uses, or permits to be opened, kept or used any enclosure, room or place for the purpose of gaming on a horse-race, shall be liable, on conviction, to imprisonment not exceeding three months or for every day on which such enclosure, room or place is so opened, kept or used, to a fine not exceeding five hundred rupees or both.

"(2) Whoever is found gaming on a horse-race shall be liable, on conviction, notwithstanding any provision to the contrary in this Regulation to a fine not exceeding five hundred rupees or to imprisonment not exceeding one month."

14. [13.] In *explanation* 2 of section 63 of the said Regulation, after the word "wager," the word "bet" shall be inserted.

No. P. 1808—Pol. 27-32-2, dated Bangalore, 24th September 1932.

In exercise of the powers conferred by section 22 of the Mysore Arms Regulation, VI of 1890, as amended from time to time and Rule 3 of the Mysore Arms Rules, the Government of His Highness the Maharaja are pleased to declare that in the case of persons exempted under entries 5 and 10 of Schedule I of the Mysore Arms Rules, the reasonable quantity of arms and ammunition that such persons may carry or possess shall be limited as hereunder:—

"A gun or a rifle and a pistol or a revolver with two hundred rounds of ammunition for each weapon."

By Order,

N. MADHAVA RAO,

Chief Secretary to Government.